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MARKEY: HIGH GAS PRICES, OIL DEPENDENCE TAKING TOLL ON SMALL BUSINESSES, FAMILIES

*AS FIRST GLIMPSE OF \$4 GAS HITS MOTORISTS, SMALL BUSINESS
OWNERS, FARMERS, FAMILIES DESCRIBE PAIN FELT AT THE PUMP*

WASHINGTON (May 9, 2007) – With the first \$4 gas spotted this week, and analysts seeing nationwide \$4/gallon gasoline as a potential near-term reality, small businesses and American families are feeling a fuel pinch not seen in several decades. On Wednesday, Chairman Edward Markey (D-MA) of the Select Committee on Energy Independence and Global Warming brought American small business owners to Congress to share the personal economic impact of gas prices and America's dangerous dependence on oil and discuss the solutions to this challenge.

Gas prices hit a record \$3.07/gallon nationwide average last week, the 13th straight week in which prices have risen. Prices have climbed 20 cents in the past two weeks and by nearly a dollar since the first of the year. The previous record was \$3.03 per gallon on August 11, 2006.

One fueling station in Oakland, CA was selling a gallon of gas for \$4.07 on Monday, May 7, according to the website gasbuddy.com.

"The pain at the pump is coming earlier and hitting harder this year, and small businesses are some of the first to feel it," said Chairman Markey. "Our oil dependence has too many costs—to our national security, to entrepreneurs, to our environment, and to American families—for us to delay taking action on this important problem any longer."

The witnesses are a diverse group representing the best in American small business: Sylvia Estes, a single mom and construction services and horse farm owner from Virginia Beach, VA; Mike Mitternacht, an air conditioning service businessman from Metairie, LA; Terry Thomas, the head of a school bus service company in Youngstown, OH; and Donn Teske, a farmer from McPherson, KS. All four will explain how rising fuel costs have harmed their businesses.

Stronger Fuel Economy Standards Needed to Battle Oil Dependence

America's oil dependence is at an all-time high. After Congress mandated a doubling of fuel economy standards from 13.5 to 27.5 miles per gallon in response to the oil embargo in 1975, our dependence on foreign oil went from 46.5 percent in 1977 to 27 percent in 1985. We are now back up to 60 percent - and climbing.

"The single biggest step we can take to both reduce costs and our dependence on Middle East oil is to improve the fuel economy of the cars and light trucks we drive," said Chairman Markey. "If Congress acts immediately to pass my fuel economy proposal, we can help consumers save hundreds of dollars and lessen America's dependence on the oil cartel that drives oil policy."

The Markey-Platts fuel economy bill would require that new vehicles achieve a 35 mile per gallon standard by 2018 and would reduce the annual cost of driving by \$784, from \$1,824 to \$1,040. The bill, H.R. 1506, has 122 cosponsors.

Fuel economy standards for cars have not been increased in 20 years, and the fuel economy of the American fleet is currently lower than it was in 1987.

Costs to Drivers, Businesses, Families Mount

According to the Federal Highway Administration (FHWA), in 2005, U.S. cars, vans, pickups and SUVs collectively traveled an average of 11,856 miles, used 594 gallons of gasoline, and had an on-the-road average fuel economy of 20 miles per gallon. If gasoline prices stay as high as \$3.07/gallon, the average driver will spend at least \$1,824 per year on gasoline.

Each \$1 increase in the price of gasoline adds \$594 to the average consumer's annual transportation bill, according to FHWA statistics. For a family owning one car making \$20,000 a year, \$3 a gallon gasoline consumes almost 9 percent of its annual income. If the price goes to \$4, that number goes up to almost 12 percent.

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The House Select Committee on Energy Independence and Global Warming was formed by House Speaker Nancy Pelosi (D-CA) to increase the visibility and priority given to America's oil dependence and global warming challenges. It is chaired by Rep. Edward J. Markey (D-MA) and will actively explore the solutions, science and progress on these pressing issues during the 110th Congress.